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Supreme Court of the United States

MICHELLE K. LEE, DIRECTOR, UNITED STATES PATENT AND TRADEMARK OFFICE,

Petitioner,

—v.—

SIMON SHIAO TAM,

Respondent.

ON A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR *AMICI CURIAE* CONSTITUTIONAL LAW PROFESSORS IN SUPPORT OF THE RESPONDENT

RODNEY A. SMOLLA
4601 Concord Pike
Wilmington, Delaware 19803
(302) 477-2278

FLOYD ABRAMS
Counsel of Record
FRIA KERMANI
KATHLEEN E. FARLEY
CAHILL GORDON
& REINDEL LLP
80 Pine Street
New York, New York 10005
(212) 701-3000
fabrams@cahill.com

Counsel for Amici Curiae

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IDENTITY AND INTERESTS OF THE *AMICI*

Amici are scholars who regularly engage in legal writing and litigation germane to the First Amendment, including the intersection of the freedom of speech and intellectual property. Their interest in this litigation is to offer their views regarding the principles to be applied in determining whether the disparagement provision of the Lanham Act, 15 U.S.C. § 1052(a), violates the First Amendment, principles which have led them to conclude that the provision is inconsistent with the First Amendment.[1]

SUMMARY OF ARGUMENT

Section 1052(a) is a brazen exercise in content and viewpoint discrimination. On its face and as its animating purpose, it exists to discriminate against expression perceived by the government to be disparaging and offensive. Under the strict scrutiny standard applicable to content or viewpoint discrimination, the law cannot stand in light of the bedrock principle underlying the First Amendment that government may not penalize speech merely because it is deemed offensive or disagreeable. These principles apply to laws that burden speech just as they apply to laws that fully censor it.

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[1] Pursuant to Rule 37.6, *amici* affirm that no counsel for a party authored this brief in whole or in part and that no person other than *amici* and their counsel made a monetary contribution to its preparation or submission. Petitioner's and Respondent's consent to the filing of amicus briefs is filed with the Clerk. *Amici's* institutional affiliations are provided only for purposes of identification.

Section 1052(a) is plainly unconstitutional unless some alternative First Amendment doctrine is applicable exempting the statute from the normal strictures forbidding content and viewpoint discrimination. Several have been posited. One claim, asserted by the United States in argument to the Court of Appeals, *In re Tam*, 808 F.3d 1321, 1345 (Fed. Cir. 2015), but all but abandoned in this Court, is that trademark registration is "government speech" and thus outside the coverage of the First Amendment. A second argument is that trademark registration is a government benefit, not a right, and that what appears to be content and viewpoint discrimination is merely the government acting to shape the contours of a benefit program. And finally, it may be claimed that regulation of disparaging trademarks constitute a valid regulation of commercial speech. None of these arguments is sound.

Denial of trademark registration does not fit either the theoretical justifications that support the government speech doctrine, or the doctrinal tests that have emerged to define the doctrine's contours. The core theoretical justification for the government speech doctrine is that voters may invoke a political check to approve or disapprove of the positions taken by government in the exercise of its own speech. Trademark registration is not an exercise of the government "speaking" as an incident to its acts of governing, however, for the government possesses no general governing power to police offensive or disparaging speech. More fundamentally, the entire purpose of the First Amendment is to prevent the government from exercising its political will to burden private expression. To treat denial of The Slants' trademark registration as not even implicating the First Amendment, on the ground that

it is some sort of government speech, is thus to turn First Amendment principle on its head.

Trademark registration is similarly outside the doctrinal definition of government speech. Trademarks are understood in society as the identifiers of private speakers. Trademarks are not created by the government, aligned with the government, used as "government IDs," or used as platforms for government expression. The government does not exercise control or approval of a trademark's design or composition. Rather, trademark is private expression. If the refusal to grant trademark registration were deemed government speech, then the government speech doctrine could effectively swallow virtually all free speech law, for any action by the government penalizing disfavored topics could simply be recast as the government itself speaking, thereby avoiding the proscriptions of the First Amendment.

The doctrine of unconstitutional conditions bars the government from denying government benefits to speakers on the condition that those speakers surrender First Amendment rights they would otherwise enjoy. While the unconstitutional conditions doctrine does not bar government from using the leverage of a public benefits program to prevent discriminatory conduct (as, for example, with gender discrimination provisions of Title IX), Section 1052(a) is not an anti-discrimination provision, and The Slants do not stand accused of any discriminatory conduct. Similarly, the unconstitutional conditions doctrine does not bar the government from restricting funding in a manner incident to the shaping of a spending program. Section 1052(a) is not such a spending program, however, but rather a classic example of what the unconstitutional conditions

doctrine most unambiguously forbids: using the leverage of the grant or denial of a government benefit to penalize viewpoints the government finds offensive.

Finally, Section 1052(a) cannot be defended as a valid regulation of commercial speech. It is entirely the non-commercial elements of the communication that Section 1052(a) regulates, the elements deemed by the government to be culturally and politically offensive. The refusal to register the mark The Slants sought is thus not in any authentic sense commercial regulation at all, and ought not be analyzed under commercial speech doctrine.

Even if the rules governing regulation of commercial speech were applied, the refusal to register the mark The Slants sought remains unconstitutional. One of the most powerful themes of modern commercial speech law is that the government may not invoke, as its "substantial interest" justifying regulation, the perceived offensiveness of the message communicated. The government is disqualified from invoking the false cover of commercial speech regulation to do no more than penalize expression it deems to be "scandalous," for such a paternalistic purpose is *per se* excluded from the interests that may be invoked to justify regulation.

With no plausible exception to classic free speech principles available to defend it, the emperor has no clothes, and Section 1052(a) is exposed for what it is: a naked exercise in unconstitutional content and viewpoint discrimination.

ARGUMENT

I. SECTION 1052(A) IS A BRAZEN EXERCISE IN CONTENT AND VIEWPOINT DISCRIMINATION

Section 1052(a) of the Lanham Act is a brazen exercise in content and viewpoint discrimination. The statute denies trademark registration to marks that meet all the normal requirements for trademark registration, but "[c]onsist[] of or comprise[] immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute." 15 U.S.C. § 1052(a). Expression that is "immoral" or "scandalous" or that disparages or brings into contempt or disrepute "persons, living or dead, institutions, beliefs, or national symbols" is normally what freedom of speech is all about. "If there is a bedrock principle underlying the First Amendment, it is that the government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable." *Texas v. Johnson*, 491 U.S. 397, 414 (1989). This commitment to freedom of speech protects graphic displays of offensive speech far more intense than the mark The Slants sought. As the Court explained in upholding First Amendment protections for the hatefully disparaging speech of the Westboro Baptist Church in its calculated verbal assaults on fallen American soldiers callously presented near military funerals:

> Speech is powerful. It can stir people to action, move them to tears of both joy and sorrow, and—as it did here—inflict great pain. On the facts before us, we cannot react

> to that pain by punishing the speaker. As a Nation we have chosen a different course—to protect even hurtful speech on public issues to ensure that we do not stifle public debate. That choice requires that we shield Westboro from tort liability for its picketing in this case.

Snyder v. Phelps, 562 U.S. 443, 460-61 (2011); *see also United States v. Stevens*, 559 U.S. 460, 471-72 (2010) (striking down a federal law prohibiting depictions of animal cruelty, such as "crush videos," observing that First Amendment doctrine does not permit punishment of "any speaker so long as his speech is deemed valueless or unnecessary, or so long as an ad hoc calculus of costs and benefits tilts in a statute's favor"); *United States v. Alvarez*, 132 S. Ct. 2537, 2543 (2012) (plurality opinion) (striking down federal law prohibiting false claims of military honors, observing that "[s]tatutes suppressing or restricting speech must be judged by the sometimes inconvenient principles of the First Amendment").

As a paradigmatic example of content and viewpoint discrimination, Section 1052(a) must—but cannot—withstand strict scrutiny. As this Court recently re-emphasized in *Reed v. Town of Gilbert*, the strict scrutiny standard is triggered by laws that either discriminate on their face on the basis of content, or that are motivated by a governmental purpose to penalize disfavored views. 135 S. Ct. 2218, 2228-31 (2015). There can be no dispute that Section 1052(a) is, by its very nature, content based, rooted in disapproval of language that is "scandalous" and the like. The brief of law professors as *amici curiae* submitted in support of petitioners emphasizes the content-based nature of the statute, as if that advanced the convention that the law met

constitutional standards. Br. of *Amici Curiae* Law Profs. in Supp. of Pet'rs 4-12. But the Federal Circuit in its opinion below was correct in concluding that it was "beyond dispute" that the consequence of the content-based nature of the statute was that strict scrutiny must be applied in assessing its constitutionality. *In re Tam*, 808 F.3d 1321, 1335 (Fed Cir. 2015). By requiring marks to be assessed for their supposedly "scandalous" nature or the like, Section 1052(a) "target[s] speech based on its communicative content" and is thus "presumptively unconstitutional." *Reed*, 135 S. Ct. at 2226.

Moreover, Section 1052(a) is on its face, a quintessential example of viewpoint-based legislation. Such laws that target particular views taken by speakers on a subject are a particularly "egregious" sub-type of content discrimination, *Rosenberger v. Rector and Visitors of Univ. of Va.*, 515 U.S. 819, 828-29 (1995), and are thus addressed with greatest skepticism under the First Amendment.

Consider, for example, the ordinance struck down in *R.A.V. v. City of St. Paul*, 505 U.S. 377 (1992), which read:

> Whoever places on public or private property a symbol, object, appellation, characterization or graffiti, including, but not limited to, a burning cross or Nazi swastika, which one knows or has reasonable grounds to know arouses anger, alarm or resentment in others on the basis of race, color, creed, religion or gender commits disorderly conduct and shall be guilty of a misdemeanor.

Id. at 380 (citation and internal quotation marks omitted). The Court held that the "ordinance goes

even beyond mere content discrimination, to actual viewpoint discrimination." *Id.* at 391.

Section 1052(a) of the Lanham Act engages in the same form of viewpoint discrimination as the law struck down in *R.A.V.*, and should be held unconstitutional for precisely the same reasons. The statute's sweeping prohibition on marks that disparage "persons, living or dead, institutions, beliefs, or national symbols" is breathtakingly overbroad, and cannot be distinguished from the *R.A.V.* ordinance proscribing "anger, alarm or resentment on the basis of race, color, creed, religion, or gender." So too, the government's *motive* in passing Section 1052(a) is constitutionally illicit—manifestly grounded in disagreement with the message communicated by the mark.

These viewpoint discrimination principles apply to laws that burden speech just as they apply to laws that fully censor it. "Lawmakers may no more silence unwanted speech by burdening its utterance than by censoring its content." *Sorrell v. IMS Health Inc.*, 564 U.S. 552, 566 (2011) (citing *Simon & Schuster, Inc. v. Members of N.Y. State Crime Victims Bd.*, 502 U.S. 105, 115 (1991) (content-based financial burden); *Minneapolis Star & Tribune Co. v. Minnesota Comm'r of Revenue*, 460 U.S. 575, 591-92 (1983) (speaker-based financial burden)); *see also Arizona Free Enterprise Club's Freedom Club PAC v. Bennett*, 564 U.S. 721, 742 (2011) (striking down matching fund provisions that did not directly restrict speech, noting "that does not mean that the matching funds provision does not burden speech").

Section 1052(a) is plainly unconstitutional unless some alternative First Amendment doctrine is applicable exempting the statute from the normal

strictures forbidding content or viewpoint discrimination. We turn separately to the three dominant arguments offered at one time or another by the government. Arguing before the *en banc* Court of Appeals, the government (as the court put it) "appear[ed] to argue that trademark registration and the accouterments of registration . . .amount to government speech." *In re Tam*, 808 F.3d 1321, 1345 (Fed. Cir. 2015). That contention was addressed and squarely rejected by the Court of Appeals. In this Court, the government all but abandons, by its silence, this argument. However, because it continues to rely on *Walker v. Texas Division, Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239 (2015), the very case that focused most recently on what is and is not government speech, we therefore address it.

II. TRADEMARK REGISTRATION IS NOT GOVERNMENT SPEECH

A. Treating Trademark Registration as Government Speech Contradicts the Rationales Underlying the Government Speech Doctrine

This Court's decisions in *Pleasant Grove City v. Summum*, 555 U.S. 460 (2009), and in *Walker* set forth the guiding principles for determining whether expression should be classified as government speech. The Court's observation in *Summum* is apt here: "There may be situations in which it is difficult to tell whether a government entity is speaking on its own behalf or is providing a forum for private speech, but this case does not present such a situation." *Summum*, 555 U.S. at 470.

In *Summum*, the Court recognized "the legitimate concern that the government speech doctrine not be

used as a subterfuge for favoring certain private speakers over others based on viewpoint." *Id.* at 473. This is precisely the subterfuge at work here, as Section 1052(a) all but hijacks the government speech doctrine to penalize a viewpoint deemed offensive.

The government speech doctrine exists to enable the government to express its own viewpoint as it engages in the process of governance. Under the doctrine, "government statements (and government actions and programs that take the form of speech) do not normally trigger the First Amendment rules designed to protect the marketplace of ideas." *Walker*, 135 S. Ct. at 2245-46. The government may also impose viewpoint restrictions on speech made possible by a government program, so long as the program was designed to promote a governmental message. But if the program was enacted to facilitate private speech, the government may not impose viewpoint restrictions on that private speech. *Compare Rust v. Sullivan*, 500 U.S. 173, 194 (1991) (upholding restrictions on medical providers regarding abortion counseling) *with Legal Services Corp. v. Velazquez*, 531 U.S. 533, 548-49 (2001) (striking down restrictions on the litigation choices of legal services lawyers). These principles are in large part pragmatic, as it is difficult to imagine how government could operate if its own speech and its own programmatic initiatives were required to be viewpoint neutral. "Were the Free Speech Clause interpreted otherwise, government would not work." *Walker*, 135 S. Ct. at 2246.

The government speech doctrine is anchored by the theory that the political process provides a sufficient check on the government's expression. If voters disagree with the speech of the government, as expressed by the officials who comprise it, they may

elect different officials. The doctrine thus "in part reflects the fact that it is the democratic electoral process that first and foremost provides a check on government speech." *Id.* at 2245 (citing *Bd. of Regents of Univ. of Wis. Sys. v. Southworth*, 529 U.S. 217, 235 (2000)).

None of these rationales apply to a decision by the government to withhold trademark registration for disparaging marks. Such a decision cannot be speech incident to governance, because policing offensive speech in the general marketplace is not within the provenance of the government in the first place. To assume so turns the First Amendment on its head.

While the government speech doctrine is grounded in the notion that the democratic process serves as a check—if citizens don't like the speech of officials uttered in the name of the government they may vote the officials out—the whole point of the First Amendment's guarantee of freedom of speech is to *insulate* expression from the popular will. Most Americans find deeply offensive the desecration of the American flag, *see Johnson*, 491 U.S. at 414; or the Ku Klux Klan's burning of crosses, *see Virginia v. Black*, 538 U.S. 343, 367 (2003); *Brandenburg v. Ohio*, 395 U.S. 444, 448-49 (1969); or depictions of animal cruelty in "crush videos," *see Stevens*, 559 U.S. at 469; or the homophobic cries of the Westboro Baptist Church near military funerals, *see Snyder*, 562 U.S. at 460-61. But the First Amendment takes out of the hands of government the authority to channel those entirely rational majoritarian sensibilities into law. "The very purpose of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy, to place them beyond the reach of majorities and officials and to establish them as legal principles to be applied by the

courts." *W. Va. State Bd. of Educ. v. Barnette*, 319 U.S. 624, 638 (1943).

B. Treating Trademark Registration as Government Speech is Contrary to the Government Speech Doctrines Emanating from *Summum* and *Walker*

If it is theoretically incoherent to treat a refusal to grant trademark registration to disparaging marks as government speech, such treatment is also doctrinally unsound. In *Summum*, the government speech consisted of decisions by a city as to what permanent monuments it would display in a city park. 555 U.S. at 470. The Court drew on traditions going back thousands of years to support the notion that the selection of what monuments to include or exclude on government property are quintessentially exercises in expression by the government itself. *Id.* ("Governments have long used monuments to speak to the public. Since ancient times, kings, emperors, and other rulers have erected statues of themselves to remind their subjects of their authority and power. Triumphal arches, columns, and other monuments have been built to commemorate military victories and sacrifices and other events of civic importance.").

Building on *Summum*, the Court in *Walker* cited numerous reasons for treating the specialty license plate program in Texas as government speech. "First, the history of license plates shows that, insofar as license plates have conveyed more than state names and vehicle identification numbers, they long have communicated messages from the States." *Walker*, 135 S. Ct. at 2248. States, the Court observed, "have used license plate slogans to urge action, to promote tourism, and to tout local industries." *Id.* Secondly, the Court reasoned, Texas license plate designs were

often closely identified in the public mind with the State of Texas, including the facts that the state placed the name "TEXAS" in large letters at the top of every plate, that Texas vehicle owners are required by law to display license plates, and that all Texas license plates are issued by the State. *Id.* Texas license plates, the Court concluded, are "essentially, government IDs." *Id.* at 2249. Moreover, the private person or entity seeking a specialty plate, the Court reasoned, was likely to be intentionally playing on the suggestion that Texas had endorsed the message on the plate. *Id.* The Court in *Walker* also heavily emphasized the degree of direct control Texas maintained over the messages conveyed on its specialty plates, citing rules on design and the fact that the DMV "Board must approve every specialty plate design proposal before the design can appear on a Texas plate," an authority that had been actively exercised. *Id.*

In contrast, trademark registration, like copyright registration, has not historically been understood in our culture or our law as "government speech," or to use the parlance of *Walker*, as "government IDs." Trademark is a common law right that comes into existence through use by private parties. *See In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879). "The principle underlying trademark protection is that distinctive marks—words, names, symbols, and the like—can help distinguish a particular artisan's goods from those of others." *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1299 (2015). As the United States Patent and Trademark Office Trademark Trial and Appeal Board has observed, "[j]ust as the issuance of a trademark registration by this Office does not amount to a government endorsement of the quality of the goods to which the

mark is applied, the act of registration is not a government imprimatur or pronouncement that the mark is a 'good' one in an aesthetic, or any analogous, sense." *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216, 1219-20 n.3 (T.T.A.B. 1993).

Trademark registration, like trademark itself, is the bestowal of certain legal benefits to private individuals and entities regarding the private expression of those individuals and entities. *B & B Hardware, Inc.*, 135 S. Ct. at 1300. It may be understandable that a license plate required by the government to be affixed to a vehicle, bearing the government's name and logo, and serving a government function regarding vehicle registration and law enforcement, is treated as a form of "government speech." The government manufactures plates and has an interest in limiting the number of variants that exist, lest their value as "government IDs" be diluted. No similar interest attaches to the millions of trademarks generated in the private sector. Indeed, the whole purpose of trademark law is to protect the association between the mark and the private business that uses it; the source of the speech is the source of the goods. That purpose would be upended if the mark were instead associated with the government as speaker.

To treat the registration of the millions and millions of private trademarks in the for-profit and non-profit sectors as the government speaking is therefore nonsensical. Such a view of the government speech doctrine would turn *any* viewpoint-based action by the government denying a benefit to a speaker, from refusal to recognize a student organization to denying a parade permit, into government speech. In the context of trademarks, the government would have carte blanche to use its

trademark registration power to pursue any policy on its agenda: it could deny registration to "Coke" and "Pepsi" to discourage soda consumption, to "Budweiser" to discourage drinking beer, or to "Camel" to discourage smoking. Call these actions "government subsidy," "government assistance," or "government speech," and the inconvenient First Amendment is out of the picture.

If the Patent and Trademark Office were to publish a press release criticizing The Slants for using their mark, *that* would be government speech. The denial of trademark registration, however, is not the "government speaking" in any plausible sense, but simply the government discriminating against private speech of which it disapproves.

III. DENIAL OF TRADEMARK REGISTRATION IS NOT A LIMITATION ON THE CONFERRAL OF A GOVERNMENT BENEFIT ESSENTIAL TO DEFINING THE CONTOURS OF A GOVERNMENT PROGRAM

The government is not free to attach unconstitutional conditions, such as the surrender of First Amendment rights, to the receipt of government benefits:

> For at least a quarter-century, this Court has made clear that even though a person has no "right" to a valuable governmental benefit and even though the government may deny him the benefit for any number of reasons, there are some reasons upon which the government may not rely. It may not deny a benefit to a person on a basis that infringes his constitutionally protected interests—especially, his interest in freedom of speech.

> For if the government could deny a benefit to a person because of his constitutionally protected speech or associations, his exercise of those freedoms would in effect be penalized and inhibited.

Perry v. Sindermann, 408 U.S. 593, 597 (1972).

The unconstitutional conditions doctrine has often been applied to prevent the government from restricting free speech rights as an incident to bestowing government benefits. *See, e.g., Healy v. James*, 408 U.S. 169 (1972) (striking down a state university's refusal to grant official student group recognition to the Students for a Democratic Society based on the university's concerns over SDS positions regarding violent protest); *FCC v. League of Women Voters*, 468 U.S. 364 (1984) (striking down a restriction on public broadcasters barring broadcasters from editorializing as a condition of federal funding); *Rosenberger v. Rector and Visitors of Univ. of Va.*, 515 U.S. 819 (1995) (striking down a University of Virginia policy denying funding to student groups who used the funds for religious proselytizing); *Legal Servs. Corp. v. Velazquez*, 531 U.S. 533 (2001) (striking down restrictions on the advocacy of legal services lawyers); *Agency for Int'l Dev. v. Alliance for Open Soc'y Int'l, Inc.*, 133 S. Ct. 2321 (2013) (striking down a provision of a federal law requiring recipients of funds to adopt a policy stating that they oppose sex trafficking and prostitution).

An important theme of these cases is that it is no defense for the government to claim that speakers are not directly prevented from speaking. The students in the SDS chapter in *Healy* were allowed to express their views; they were just denied the benefits of recognition as a student group. Similarly, the

students in *Rosenberger* were not prevented from proselytizing, they were simply barred from participation in the University's funding program for student groups and publications if they engaged in such proselytizing.

It is thus no answer for the United States to maintain that The Slants remain free to register a non-disparaging mark while continuing to "use . . .a racial slur . . .[as] . . .suitable means of 'reappropriating' the slur." Pet'r Br. 33 (citation omitted). Notwithstanding all the efforts of the United States to minimize the import of trademark registration, such registration is of major import, substantial benefits flow from federal registration of the mark, and the unconstitutional conditions cases stand for the proposition that those benefits may not be denied on the basis of content or viewpoint. As this Court has recently observed:

> Registration is significant. The Lanham Act confers "important legal rights and benefits" on trademark owners who register their marks. . . . Registration, for instance, serves as "constructive notice of the registrant's claim of ownership" of the mark. It also is "prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner's ownership of the mark, and of the owner's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate." And once a mark has been registered for five years, it can become "incontestable."

B & B Hardware, Inc., 135 S. Ct. at 1300 (internal citations omitted). In sum, the entire thrust of the

unconstitutional conditions doctrine is that government may not deny to citizens the legal protections for their expression that they would otherwise enjoy merely because the government disagrees with the message conveyed by that expression.

This Court has on a number of occasions permitted government restraints on discriminatory *conduct* as a condition placed on the receipt of federal benefits. Title IX prohibits university recipients of federal aid from discriminating on the basis of gender. *See Grove City Coll. v. Bell*, 465 U.S. 555 (1984). The Internal Revenue Service may deny tax exempt status to entities that discriminate on the basis of race. *See Bob Jones Univ. v. United States*, 461 U.S. 574 (1983). And a state law school may condition student group recognition on adherence to a nondiscrimination policy with regard to eligible members. *Christian Legal Soc'y Chapter of the Univ. of Cal. v. Martinez*, 561 U.S. 661 (2010). The Slants do not stand accused of discriminatory conduct, in the palpable sense illustrated by *Grove City*, *Bob Jones*, or *Martinez*. Rather, they are being penalized for the perceived offensiveness of the expression alone.

Moreover, even when policing discriminatory conduct, the Court has made clear that the First Amendment principles governing viewpoint discrimination still apply. In *Martinez*, for example, the Court emphasized that no viewpoint discrimination existed, noting that student groups remained free to "express any viewpoint they wish—including a discriminatory one." *Id.* at 696 n.26. The Court elaborated that the decision "thus continues this Court's tradition of 'protect[ing] the freedom to express "the thought that we hate." '" *Id.* (internal citations omitted).

Another exception to the unconstitutional conditions doctrine, somewhat less sharply defined, permits the government to direct its limited resources by placing restrictions on government spending programs as an incident to shaping the contours of those programs. This "shaping of spending" exception, however, remains substantially counterbalanced by the larger unconstitutional conditions doctrine. *See Alliance*, 133 S. Ct. at 2328. "At the same time, however, we have held that the government '"may not deny a benefit to a person on a basis that infringes his constitutionally protected . . . freedom of speech even if he has no entitlement to that benefit."'" *Id.* (quoting *Rumsfeld v. Forum for Acad. and Institutional Rights, Inc.*, 547 U.S. 47, 59 (2006)). This Court in *Alliance* harmonized its prior decisions in this arena by emphasizing the critical distinction between limits that define the contours of a program and limits that "seek to leverage funding to regulate speech outside the contours of the program itself." *Alliance*, 133 S. Ct. at 2328. To illustrate the difference, this Court contrasted its holding in *Rust v. Sullivan*, 500 U.S. 173 (1991), which upheld a restriction imposed on federal funding of reproductive services banning abortion counseling, and its holding in *Regan v. Taxation With Representation*, 461 U.S. 540 (1983), which upheld a federal law forbidding groups seeking nonprofit status from engaging in substantial efforts to influence legislation, with its holding in *League of Women Voters*, 468 U.S. at 364, which struck down limits on the editorializing of stations receiving public broadcasting. *Alliance*, 133 S. Ct. at 2328-2329.

This Court in *Alliance* acknowledged that "the distinction drawn in these cases—between conditions that define the federal program and those that reach

outside it—is not always self-evident." *Alliance*, 133 S. Ct. at 2330. That there are at times close and difficult cases, however, does not render the Lanham Act's disparaging marks provision a close or difficult case.

The government's attempt to cast Section 1052(a) as a permissible restriction that does not reach beyond the contours of the government program to regulate speech outside the program is disingenuous. Its proffered solution—that The Slants register a second, non-disparaging mark (which they do not desire to do) while simultaneously still identifying themselves with a "racial slur" — illustrates how deeply into protected speech the government's approach takes it. The government actually proposes that for the band to be permitted to vindicate its desire to mock societal disparagement of individuals of Asian ancestry it must recharacterize itself with a "non-disparaging" name. To create trademark rights in this second name, The Slants would need to use it as a source identifier that provides a prime method for advertising and selling their goods. 1 & 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 3:2, 16:4 (4th ed. 2016). Closely identifying their band with a non-disparaging mark in this fashion will fundamentally dilute and vitiate the very message of reappropriation The Slants have sought to convey since 2006. This proposed solution of registering a different "non-disparaging" mark only reinforces how pervasively Section 1052(a) impermissibly regulates fully protected speech under the First Amendment. *See Alliance*, 133 S. Ct. at 2328.

Applying the unconstitutional conditions body of law, Section 1052(a) is plainly at odds with the First Amendment. Congress has not sought to impose any

limitation on discriminatory conduct. Nor is trademark registration a federal spending program, with Section 1052(a) functioning to define the limits of federal largess. An attempt to cast Section 1052(a) as a limit on a government spending program, much like the attempt to cast it as government speech, is mere wordplay. "Congress cannot recast a condition on funding as a mere definition of its program in every case, lest the First Amendment be reduced to a simple semantic exercise." *Velazquez*, 531 U.S. at 547. Rather, Section 1052(a) is a classic example of what the doctrine of unconstitutional conditions flatly forbids: using the leverage of the grant or denial of a government benefit to penalize viewpoints the government determines to be offensive.

IV. SECTION 1052(A) CANNOT BE SUSTAINED AS A VALID REGULATION OF COMMERCIAL SPEECH

The refusal of the Patent and Trademark Office to grant registration to disparaging marks is not a permissible form of regulation of "commercial speech." Commercial speech jurisprudence has long been anchored in the *Central Hudson* test:

> At the outset, we must determine whether the expression is protected by the First Amendment. For commercial speech to come within that provision, it at least must concern lawful activity and not be misleading. Next, we ask whether the asserted governmental interest is substantial. If both inquiries yield positive answers, we must determine whether the regulation directly advances the governmental interest asserted, and whether it is not more extensive than is necessary to serve that interest.

Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n, 447 U.S. 557, 566 (1980). Because trademarks are themselves aspects of trade and commerce, a court might be tempted to assume that all regulation of trademarks is regulation of "commercial speech." Trademarks are, after all, commercial identifiers, the symbols and words by which companies distinguish and identify their brands.

It does not follow, however, that all government regulation of trademarks is properly reviewed under the *Central Hudson* standard. There is nothing *commercial* that triggers the Section 1052(a) ban on immoral, scandalous, disparaging, or contemptuous material. The statute thus carries embedded within it the concession that some trademarks function *both* as commercial identifiers and as expressions conveying political, artistic, cultural, or religious meanings—the very meanings that may render them immoral, scandalous, disparaging, or contemptuous. The regulation of *those offending aspects* of trademarks, including the disparagement restriction invoked to refuse registration of the mark The Slants sought, is the regulation of a political and social message, nothing more or less.

As the Fourth Circuit has recently noted, "[t]he Lanham Act and First Amendment may be in tension at times, but they are not in conflict so long as the Act hews faithfully to the purposes for which it was enacted." *Radiance Found., Inc. v. NAACP*, 786 F.3d 316, 321-22 (4th Cir. 2015). "The risk of impinging on protected speech is much greater when trademarks serve not to identify goods but rather to obstruct the conveyance of ideas, criticism, comparison, and social commentary." *Id.* at 322. Trademark law, in short, may not be co-opted to operate as a vehicle for the

speech police. To advance down this road would be dangerous business.

Trademark registration is often granted to groups that exist for associational and expressive purposes. *See* Jennifer E. Rothman, *Commercial Speech, Commercial Use, and the Intellectual Property Quagmire*, 101 Va. L. Rev, 1929, 1939 & n. 25 (2015) (noting the wide range of non-profit groups that have obtained trademark protection, including such provocative registrations as "Dykes on Bikes," Registration No. 3323803). Across the political and cultural spectrum, such trademarks are often intentionally provocative.

When commercial and noncommercial elements of a message are intertwined, the appropriate constitutional response is to ratchet up the level of constitutional protection, not ratchet down, treating the entirety of the message as protected by the First Amendment's demanding strict scrutiny standard. *Riley v. Nat'l Fed'n of the Blind of N.C., Inc.*, 487 U.S. 781, 796 (1988) ("But even assuming, without deciding, that such speech in the abstract is indeed merely 'commercial,' we do not believe that the speech retains its commercial character when it is inextricably intertwined with otherwise fully protected speech. . . . Thus, where . . . the component parts of a single speech are inextricably intertwined. . .we apply our test for fully protected expression.") (internal citations omitted); *see also Ass'n of Private Sector Colls. & Univs. v. Duncan*, 681 F.3d 427, 456 (D.C. Cir. 2012) ("Thus, when the government seeks to restrict inextricably intertwined commercial and noncommercial speech, courts must subject the restriction to the test 'for fully protected expression.'") (citation omitted); *In re Orthopedic Bone Screw Prods. Liab. Litig.*, 193 F.3d 781, 793 (3d

Cir. 1999) ("Where the commercial and noncommercial elements of speech are 'inextricably intertwined,' the court must apply the 'test for fully protected expression.'").

On this point, *amici* commend to this Court the dissenting opinion of Justice Breyer, joined by Justice O'Connor, from the dismissal of the writ of certiorari in *Nike, Inc. v. Kasky*, 539 U.S. 654 (2003), which involved the question of whether Nike's public statements on labor and employment conditions in third-world factories could be regulated as "commercial speech." Justice Breyer observed that the First Amendment "favors application of the . . . public-speech principle, rather than the . . . commercial-speech principle." *Nike*, 539 U.S. at 676 (Breyer, J., dissenting). He noted that "the communications at issue are not purely commercial in nature. They are better characterized as involving a mixture of commercial and noncommercial (public-issue-oriented) elements." *Id.* He then noted that even the least political of the statements at issue in the case involved commercial and noncommercial elements that were "inextricably intertwined." *Id.* at 677. After examining the form, content, and regulatory regime, Justice Breyer concluded that heightened scrutiny, not commercial speech intermediate scrutiny, should apply. *Id.* at 678-79.

The government should not be permitted to have it both ways, seeking to regulate only the non-commercial elements of communication, yet invoking the intermediate scrutiny standard designed to grant government greater latitude in the regulation of commercial expression.

Even the stripped-down elements of a trademark—its function as an identifier of a company's identity,

goods, or services—is far from invisible to the First Amendment. In *Sorrell v. IMS Health Inc.*, 564 S. Ct. 552 (2011), this Court considered "data mining" and "detailing," practices which assisted pharmaceutical manufacturers in promoting their drugs. The state of Vermont sought to limit this practice, through legislation providing that absent the prescriber's consent, prescriber-identifying information could not be sold by pharmacies and similar entities. There were certain limited exceptions, such as a carve-out for "health care research." *Id.* at 559. Vermont argued that Act 80 was not a regulation of speech, but a commercial restriction on trafficking in a "commodity." This Court roundly rejected the state's argument, holding that the law prohibited the sale of information subject to exceptions that were based in large part on the content of a purchaser's speech. *Id.* at 563-65. The Court in *Sorrell* observed that the creation of information, including commercial information, is protected by the First Amendment, even when that information is devoid of advocacy, and is simply a collection of "facts." *Id.* at 569-70.

In doing so, the Court in *Sorrell* suggested that that the information being disseminated by the data mining firms might well be entitled to the heightened scrutiny applicable to political speech, observing that "[w]hile the burdened speech results from an economic motive, so too does a great deal of vital expression." *Id.* at 567 (citing *Bigelow v. Virginia*, 421 U.S. 809, 818 (1975); *N.Y. Times Co. v. Sullivan*, 376 U.S. 254, 266 (1964); *United States v. United Foods, Inc.*, 533 U.S. 405, 410-11 (2001)). In fact, virtually all of the Court's discussion of the controlling First Amendment principles in *Sorrell* invoked the classic doctrines forbidding content-based and speaker-based discrimination, doctrines that form the backbone of

modern First Amendment doctrines protecting political speech. *Id.* ("Both on its face and in its practical operation, Vermont's law imposes a burden based on the content of speech and the identity of the speaker."). The Court's more recent ruling in *Reed v. Town of Gilbert*, goes still further in this direction, relying on *Sorrell*—a case involving commercial speech—frequently in a case involving non-commercial discourse. 135 S. Ct. 2218, 2227-28, 2235 (2015).

In the end, in *Sorrell* it did not matter whether the speech was reviewed as political or commercial speech, because the law was unconstitutional under either test. *Sorrell*, 564 U.S. at 571 ("As in previous cases, however, the outcome is the same whether a special commercial speech inquiry or a stricter form of judicial scrutiny is applied." (citing *Greater New Orleans Broad. Ass'n., Inc. v. United States*, 527 U.S. 173, 184 (1999))).

As in *Sorrell*, even if the rules governing regulation of commercial speech were applied, the refusal to register the mark The Slants sought remains unconstitutional. One of the most powerful themes of modern commercial speech law is that the government may not invoke, as its "substantial interest" justifying regulation, paternalistic manipulation of the marketplace of ideas. "Those who seek to censor or burden free expression often assert that disfavored speech has adverse effects. But the 'fear that people would make bad decisions if given truthful information' cannot justify content-based burdens on speech." *Id.* at 577 (quoting *Thompson v. W. States Med. Ctr.*, 535 U.S. 357, 374 (2002)). In *Carey v. Population Servs. Int'l*, the Court rejected the position that commercial speech regulation could be justified by the government's

interest in suppressing offensive expression, noting that it had "consistently held that the fact that protected speech may be offensive to some does not justify its suppression." 431 U.S. 678, 701 (1977). Elaborating, the Court made the very point being emphasized by *amici* here:

> Appellants suggest no distinction between commercial and noncommercial speech that would render these discredited arguments meritorious when offered to justify prohibitions on commercial speech. On the contrary, such arguments are clearly directed not at any commercial aspect of the prohibited advertising but at the ideas conveyed and form of expression the core of First Amendment values.

Id. at 701 n.28. Similarly, in *Bolger v. Youngs Drug Prods. Corp.*, the Court stated that "we have consistently held that the fact that protected speech may be offensive to some does not justify its suppression," adding that the Court had "specifically declined to recognize a distinction between commercial and noncommercial speech that would render this interest a sufficient justification for a prohibition of commercial speech." 463 U.S. 60, 71-72 (1983) (citation and internal quotation marks omitted). The government is disqualified from invoking the false cover of commercial speech regulation to do no more than penalize expression it finds offensive, for such a purpose is *per se* disqualified as the type of interest that may be invoked to justify regulation.

Finally, even if the paternalistic interest in policing trademarks deemed immoral, disparaging, scandalous, or contemptuous could qualify as a

substantial governmental interest, Section 1052(a) would still fail the *Central Hudson* test, for mere refusal to register the marks would not prevent them from still being used by their owners, thus accomplishing little, if any, of the government's paternalistic purpose. Refusal to register marks under Section 1052(a) would thus fail the requirement that the regulation at issue "directly and materially advance" the government's asserted interest. *Lorillard Tobacco Co. v. Reilly*, 533 U.S. 525, 555 (2001) (citation and internal quotation marks omitted).

This infirmity once again exposes the fundamental lack of alignment between the government's purpose and the commercial nature of trademarks. Policing the perceived racial disparagement that resides in the mark The Slants sought has nothing to do with the commercial nature of trademarks. *See City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 424 (1993) ("Not only does Cincinnati's categorical ban on commercial newsracks place too much importance on the distinction between commercial and noncommercial speech, but in this case, the distinction bears no relationship *whatsoever* to the particular interests that the city has asserted." (citing and quoting *Simon & Schuster, Inc. v. Members of N.Y. State Crime Victims Bd.*, 502 U.S. 105, 120 (1991) (distinction drawn by Son of Sam law between income derived from criminal's descriptions of his crime and other sources "'has nothing to do with'" state's interest in transferring proceeds of crime from criminals to victims))).

CONCLUSION

For the reasons set forth, *amici* respectfully urge this Court to affirm the decision of the Court of Appeals.

Respectfully submitted,

RODNEY A. SMOLLA
4601 Concord Pike
Wilmington, DE 19803
(302) 477-2278
(302) 477-2282 (fax)
rodsmolla@gmail.com

FLOYD ABRAMS
Counsel of Record
FRIA KERMANI
KATHLEEN E. FARLEY
CAHILL GORDON
& REINDEL LLP
80 Pine Street
New York, NY 10005
(212) 701-3000
fabrams@cahill.com

Counsel for Amici Curiae Constitutional Law Professors

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APPENDIX

LIST OF *AMICI CURIAE* CONSTITUTIONAL LAW PROFESSORS

(Affiliations provided for identification purposes only.)

1. Rodney Smolla is the Dean and Professor of Law at Widener University Delaware Law School.
2. Floyd Abrams has been a Lecturer in Law at the Yale and Columbia Law Schools.
3. Eric M. Freedman is the Siggi B. Wilzig Distinguished Professor of Constitutional Rights at the Maurice A. Deane School of Law at Hofstra University.
4. Alan E. Garfield is a Professor of Law at Widener University Delaware Law School.
5. James Gibson is a Professor of Law at the University of Richmond School of Law.
6. James R. May is a Distinguished Professor of Law at Widener University Delaware Law School.
7. Mary-Rose Papandrea is a Professor of Law at the University of North Carolina School of Law.
8. Suzanna Sherry is the Herman O. Loewenstein Professor of Law at Vanderbilt University Law School.
9. Nadine Strossen is the John Marshall Harlan II Professor of Law at New York Law School.

10. William Van Alstyne is the William R. and Thomas L. Perkins Professor Emeritus of Law at the Duke University School of Law and the Lee Professor Emeritus of Law at the Marshall-Wythe School of Law at the College of William and Mary.

11. Timothy Zick is the Mills E. Godwin, Jr. Professor of Law at Marshall-Wythe School of Law at the College of William and Mary.